

Financial Statements of

**EDMONTON WOMEN'S  
SHELTER LTD.**

Year ended March 31, 2016

# EDMONTON WOMEN'S SHELTER LTD.

Table of Contents

Year ended March 31, 2016

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	<b>Page</b>
<b>Independent Auditors' Report</b>	
Statement of Financial Position	1
Statement of Operations	2
Statement of Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 10



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## **INDEPENDENT AUDITORS' REPORT**

To the Members of Edmonton Women's Shelter Ltd.

We have audited the accompanying financial statements of Edmonton Women's Shelter Ltd., which comprise the balance sheet as at March 31, 2016, the statements of earnings, retained earnings and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, except for the possible effects of the matter described in Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Edmonton Women's Shelter Ltd. as at March 31, 2016, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*KPMG LLP*

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Chartered Professional Accountants

June 10, 2016

Edmonton, Canada

# EDMONTON WOMEN'S SHELTER LTD.

## Statement of Financial Position

March 31, 2016, with comparative information for 2015

	2016	2015
<b>Assets</b>		
Current assets:		
Cash	\$ 536,236	\$ 546,202
Term deposits (note 2)	2,187,233	2,155,984
Accounts receivable	24,146	13,245
Prepaid expenses	53,009	28,786
	<u>2,800,624</u>	<u>2,744,217</u>
Capital assets (note 3)	917,014	974,608
	<u>\$ 3,717,638</u>	<u>\$ 3,718,825</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 257,433	\$ 264,218
Deferred revenue (note 4)	205,787	306,495
	<u>463,220</u>	<u>570,713</u>
Unamortized deferred capital contributions (note 5)	50,382	54,978
Net assets:		
Invested in capital assets	866,632	919,630
Internally restricted (note 6)	1,315,749	1,073,170
Unrestricted	1,021,655	1,100,334
	<u>3,204,036</u>	<u>3,093,134</u>
	<u>\$ 3,717,638</u>	<u>\$ 3,718,825</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# EDMONTON WOMEN'S SHELTER LTD.

## Statement of Operations

Year ended March 31, 2016, with comparative information for 2015

	2016 Budget	2016 Actual	2015 Actual
Revenue:			
Grants (note 4)	\$ 2,649,825	\$ 3,083,626	\$ 2,522,213
Donations	971,777	620,116	735,201
Fundraising (note 4)	222,450	188,773	176,758
Interest	36,342	32,733	52,076
Membership fees	500	325	225
Amortization of deferred capital contributions (note 5)	4,596	4,596	16,565
	<u>3,885,490</u>	<u>3,930,169</u>	<u>3,503,038</u>
Expenses:			
Salaries and benefits	2,940,144	3,177,796	2,622,821
Facility	434,892	263,610	295,861
Administrative	226,298	196,696	166,505
Direct client costs	173,306	116,181	109,098
Fundraising	110,850	64,984	47,550
	<u>3,885,490</u>	<u>3,819,267</u>	<u>3,241,835</u>
Excess of revenues over expenditures	\$ -	\$ 110,902	\$ 261,203

See accompanying notes to financial statements.

# EDMONTON WOMEN'S SHELTER LTD.

## Statement of Changes in Net Assets

Year ended March 31, 2016, with comparative information for 2015

	Invested in capital assets	Internally restricted	Unrestricted	2016 Total	2015 Total
Balance, beginning of year	\$ 919,630	\$ 1,073,170	\$ 1,100,334	\$ 3,093,134	\$ 2,831,931
Excess of revenues over expenditures	(96,732)	-	207,634	110,902	261,203
Purchase of capital assets with unrestricted resources	43,734	-	(43,734)	-	-
Net transfer (note 6)	-	242,579	(242,579)	-	-
	\$ 866,632	\$ 1,315,749	\$ 1,021,655	\$ 3,204,036	\$ 3,093,134

See accompanying notes to financial statements.

# EDMONTON WOMEN'S SHELTER LTD.

## Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenditures	\$ 110,902	\$ 261,203
Items not involving cash:		
Amortization of capital assets	101,328	128,181
Amortization of deferred capital assets	(4,596)	(16,565)
	207,634	372,819
Changes in non-cash operating working capital:		
Accounts receivable	(10,901)	10,386
Prepaid expenses	(24,223)	(1,566)
Accounts payable and accrued liabilities	(6,785)	(251,578)
Deferred revenue	(100,708)	216,819
	65,017	346,880
Investing activities:		
Purchase of capital assets	(43,734)	(101,877)
Proceeds (purchase) of term deposits, net	(31,249)	67,673
	(74,983)	(34,204)
(Decrease) increase in cash	(9,966)	312,676
Cash, beginning of year	546,202	233,526
Cash, end of year	\$ 536,236	\$ 546,202

See accompanying notes to financial statements.



# EDMONTON WOMEN'S SHELTER LTD.

Notes to Financial Statements

Year ended March 31, 2016

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Edmonton Women's Shelter Ltd. ("EWS") is a non-profit organization incorporated under the Companies Act of Alberta. Its principal activity is to provide temporary shelter and assistance to abused women and children. It operates WIN ("Women in Need") House I, House II and House III.

In the event of dissolution, the Memorandum of Association provides for the distribution of EWS's assets to such other charitable organizations as the members may decide. EWS is exempt from income taxes under Section 149(1) of the Income Tax Act.

## 1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The EWS's significant accounting policies are as follows:

### (a) Capital assets:

Capital assets are recorded at cost and are amortized using the straight-line method over the following periods:

Asset	Period
Buildings	10 - 25 Years
Furniture and equipment	3 - 10 Years
Automobiles	3 Years

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### (b) Revenue recognition:

EWS follows the deferral method of accounting for contributions. Externally restricted fundraising revenues are deferred and recognized as revenue in the period in which the related expenses are incurred. Contributions of capital assets and contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital asset. Operating grants are recognized in the year to which they relate. Where a portion of the grant relates to a future period, it is deferred and recognized in that subsequent period. Unrestricted donations are recognized as revenue when received.

# EDMONTON WOMEN'S SHELTER LTD.

Notes to Financial Statements (continued)

Year ended March 31, 2016

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## 1. Significant accounting policies (continued):

### (b) Revenue recognition (continued):

Investment income includes interest income, and realized and unrealized investment gains and losses. Unrealized gains and losses on financial assets are included in investment income and recognized in the statement of operations or deferred if external restrictions are imposed on the investment income. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Other unrestricted investment income is recognized as revenue when earned.

Volunteers contribute a significant amount of time each year to assist EWS carrying out its programs and services. However, contributed services of volunteers are not recognized in these financial statements because fair value cannot be reasonably determined.

### (c) Employee future benefits:

Prior to October 1, 2015, EWS had a retirement fund for its employees that consisted of contributions to each eligible employee's Registered Retirement Savings Plan, to a maximum of \$1,200 annually per employee. Effective October 1, 2015, by way of Union amendment, EWS changed their retirement plan for employees and joined a multi-sector defined contribution pension plan.

The defined contribution plan provides pension and post-employment benefits for EWS employees. It is funded by the employee and employer on a shared basis, each contributing 2% of applicable wages to the plan. Contributions to the plan for current service are recognized when the contribution is paid, or is payable, based on pay dates.

### (d) Financial instruments and risk management:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. EWS has elected to carry its term deposit comprised of guaranteed investment certificates at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

# EDMONTON WOMEN'S SHELTER LTD.

Notes to Financial Statements (continued)

Year ended March 31, 2016

## 1. Significant accounting policies (continued):

### (d) Financial instruments and risk management (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, EWS determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount EWS expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (e) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

## 2. Term deposits:

Term deposits are comprised of guaranteed investment certificates which bear interest at rates ranging from 1.56% to 2.16% (2015 - 1.79% to 2.06%) and maturing through February 2018 (2015 - February 2018). Term deposits are recorded at fair value, which includes accrued interest of \$14,702 (2015 - \$29,339).

Included in term deposits are internally restricted net assets of \$1,289,160 (2015 - 1,091,464).

## 3. Capital assets:

			2016	2015
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 388,946	\$ -	\$ 388,946	\$ 388,946
Building	1,648,452	1,191,369	457,083	510,968
Furniture and fixtures	438,676	367,691	70,985	74,694
Vehicles	58,739	58,739	-	-
	\$ 2,534,813	\$ 1,617,799	\$ 917,014	\$ 974,608

# EDMONTON WOMEN'S SHELTER LTD.

Notes to Financial Statements (continued)

Year ended March 31, 2016

### 3. Capital assets (continued):

Amortization expense of \$101,328 (2015 - \$128,181) is included in facility expenditures.

### 4. Deferred revenue:

Changes in deferred revenue are as follows:

	Balance March 31, 2015	Received in 2016	Recognized in 2016	Balance March 31, 2016
<b>Grants:</b>				
Alberta Human Services	\$ -	\$ 2,578,319	\$ 2,578,319	\$ -
Childcare Grant	-	53,179	53,179	-
Shelter Enhancement Initiative	-	11,250	2,963	8,287
Homeward Trust	-	406,369	406,369	-
St. Paul's Foundation	-	11,100	11,100	-
Edmonton Community Foundation	-	56,900	31,696	25,204
	-	3,117,117	3,083,626	33,491
<b>Fundraising:</b>				
Katz fund	215,280	-	83,328	131,952
Casino	74,216	-	70,621	3,595
Win Fore Win	16,999	75,777	56,027	36,749
	306,495	75,777	209,976	172,296
	\$ 306,495	\$ 3,192,894	\$ 3,293,602	\$ 205,787

### 5. Unamortized deferred capital contributions:

Changes in unamortized deferred capital contributions are as follows:

	2016	2015
Balance, beginning of year	\$ 54,978	\$ 71,543
Less amounts recognized as revenue in the year	(4,596)	(16,565)
Balance, end of year	\$ 50,382	\$ 54,978

# EDMONTON WOMEN'S SHELTER LTD.

Notes to Financial Statements (continued)

Year ended March 31, 2016

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## 6. Internally restricted net assets:

EWS has internally restricted net assets for the following special purposes:

Contingency fund:

The purpose of the contingency fund is to cover the cost of ongoing programs in the event of an unanticipated loss of funding for EWS. These funds are not to be used to fund budgeted deficits, unanticipated capital costs or new operating costs.

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	2016	2015
Balance, beginning of year	\$ 1,073,170	\$ 1,060,284
Transfer from unrestricted net assets	242,579	12,886
Balance, end of year	\$ 1,315,749	\$ 1,073,170

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The Board of Directors has determined that the principal amount of the fund will be maintained at 50% of the Alberta Human Services grant received for operations and childcare in the current year and is to be maintained at this level unless otherwise determined by the Board.

## 7. Donations revenue:

The John and Barbara Poole Family Fund donated an amount to The Edmonton Community Foundation with instructions to pay EWS the net income earned on those funds. During the year, EWS received \$44,077 (2015 - \$19,314) from The Edmonton Community Foundation and included that amount as part of donation revenue.

## 8. Additional information to comply with the disclosure requirement of Charitable Fundraising Act and Regulation:

No amounts (2015 - \$nil) were paid as remuneration to a fund raising business, including any expenses or fees paid by EWS on behalf of the fund raising business or as reimbursement to the fundraising business. During the prior fiscal year, EWS ceased their relationship with the fund raising business.

# EDMONTON WOMEN'S SHELTER LTD.

Notes to Financial Statements (continued)

Year ended March 31, 2016

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## **9. Financial risks:**

EWS has a risk management framework to monitor, evaluate and manage the principal risks assumed in investments. The risks that arise from transacting financial instruments include credit risk, liquidity risk and price risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices. EWS does not use derivative financial instruments.

Changes in interest rates and credit ratings are the main cause of changes in the fair value of interest bearing instruments resulting in favourable or unfavourable variance compared to book value. Interest rate risk is mitigated by managing maturity dates and payment frequency. Credit risk is managed by investing only with accredited chartered banks and providing trade terms to credit worthy entities.

It is management's opinion that EWS is not exposed to significant interest, currency or credit risk arising from its financial instruments.